

BUSINESS FACILITY TAX CREDIT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

Facilitate the expansion of new or existing businesses in Missouri.

AUTHORIZATION

Sections 135.100 to 135.150, RSMo.

HOW THE PROGRAM WORKS

State income tax credits are provided to the business based on the number of new jobs and amount of new investment created at the qualifying facility. The credits are provided each tax year for up to ten years after the project commences operations.

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

Eligible projects include manufacturing, warehousing, wholesale distribution, mining, insurance, research and development, recycling operations, computer-related services, and certain office activities, which have created at least 2 new jobs (25 for office) and \$100,000 new investment (\$1,000,000 for replacement facilities). Facility eligibility is determined by its primary Standard Industrial Classification (SIC) code as designated by the Division of Workforce Development.

ELIGIBLE USE OF TAX CREDITS

The business may reduce its total Missouri income tax by up to 100%, depending on whether it operates other Missouri facilities. The more jobs and investment created at the qualifying facility, the more Missouri income tax the earned credit can offset.

APPLICATION PROCEDURE

Effective January 1, 1999, the business must submit a form letter of intent (pre-application) to the Department of Economic Development (DED) at least 15 days prior to the commencement of facility operations, otherwise, the project is ineligible for the tax credits. The business must submit Missouri Form 135 with Schedules S and M the year immediately following the tax period the project commenced operations. DED reviews the application, determines eligibility, and if the project is eligible, issues the tax credit certification to the Department of Revenue authorizing the taxpayer to claim the credits.

The summary and guidelines are available at the Missouri Finance Network web site:

www.ecodev.state.mo.us/cd/finance/businessfacility/htm.

APPROVAL METHOD

The investment credits are based on the original cost of machinery, equipment, furniture, fixtures, land and building, and/or eight times the annual rental rate paid for the same. Inventory is not eligible.

FUNDING LIMITS

The tax credits are earned each tax period for up to 10 years. The formula to earn the tax credits is based on:

- ?? \$75 (or \$125 in a distressed community) for a new Missouri company for each new job, and for each \$100,000 of new capital investment created at the project; OR
- ?? \$100 (or \$150 in a distressed community) for an existing Missouri company for each new job, and for each \$100,000 of the new capital investment created at the project.

SPECIAL PROGRAM REQUIREMENTS

Credits may be applied to Chapter 143, excluding withholding taxes imposed under 143.191 to 143.261, or 148, RSMo (insurance companies only). If the taxpayer is an S-corporation or partnership, the individual shareholders or partners may take the credits on business income only.

There are no carry-forward provisions. Credits are re-earned each tax year for up to 10 years. The start of the 10-year period may be deferred for up to 3 additional tax years after the project commences operations.

CONTACT

MO Department of Economic Development
Incentives Section
301 West High Street, P.O. Box 118
Jefferson City, MO 65102
Phone: (573) 751-0717 Fax: (573) 751-7384
E-mail: dedfin@mail.state.mo.us

OTHER SERVICES OF DED

DED REGIONAL OFFICES

St. Louis (314) 340-6823
Kansas City (816) 889-2900
Trenton (660) 359-5960
Springfield (417) 888-4001
Moberly (660) 269-8802
Dexter (573) 624-9950
Houston (417) 967-5770
Jefferson City (573) 751-0482

RELAY MISSOURI SERVICE

Voice user calling a hearing/speech impaired user:
800-735-2466.
Hearing/Speech impaired user calling a voice
user: 800-735-2966

EMPLOYMENT ASSISTANCE

DED's Division of Workforce Development works in collaboration with its one-stop career system partners to offer workforce development assistance to job seekers and employers. By using the State's network of one-stop career centers, customers can access America's Job Bank, seek referral and placement assistance, career counseling and testing, labor market

information and use Missouri WORKS!, an Internet based, self-service workforce development tool. To find your nearest Division of Workforce Development location, consult your telephone directory under State Government or visit:
www.ecodev.state.mo.us/wfd.

MISSOURI MARKETPLACE

Information on thousands of Missouri-made products and services designed to encourage both in-state and out-of-state businesses and consumers to buy Missouri-made products. Registration is free and open to any Missouri-based company. To search the database or register your company, visit:
www.missourimarketplace.org

INTERNATIONAL MARKETING

DED's Office of International Marketing works to make companies aware of international opportunities and help them secure new business. For more information on the services available, please call (573) 751-4855 or 1-888-690-4855, by e-mail at
missouri@mail.state.mo.us or visit
www.ecodev.state.mo.us/intermark